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AZ CORP COMMISSION  
DOCKET CONTROL**Jana Brandt**

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July 31, 2009

Arizona Corporation Commission

DOCKETED

Mr. Ernest Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Docket No. L-00000B-03-0124-00000, Decision No. 67012

Dear Mr. Johnson:

Pursuant to Condition No. 21 of the Certificate of Environmental Compatibility (CEC) for the Palo Verde to Pinal West 500 kV Transmission Project, Decision No. 67012 (May 24, 2004), the Salt River Project (SRP), on behalf of the project owners, Tucson Electric Power Company (TEP), Electrical Districts 2, 3 and 4, Southwest Transmission Cooperative Inc. (SWTC) and SRP, is filing the fifth annual self-certification letter. Since the last compliance filing, SRP has completed the construction of the first 500kV line of the project, including construction of the 500kV yard at Pinal West and modifications at the Hassayampa Switchyard. In October 2008, SRP energized the first line. The construction schedule for the second 500kV line has not been determined at this time. This report provides information and documentation on SRP's compliance with each condition in the referenced CEC.

If you or your staff has any questions, please feel free to contact me.

Sincerely,

Jana Brandt

SRP Regulatory Affairs and Contracts

cc: John Foreman, Attorney General Office  
Brian Bozzo, Arizona Corporation Commission  
Docket Control (Original, plus 13 copies)

**Palo Verde to Pinal West Project CEC – Case 124**  
**Decision No. 67012 dated May 24, 2004**  
**L-00000B-03-0124-00000**

**Annual Compliance Filing dated July 31, 2009**

**This Certificate is granted upon the following conditions:**

1. This authorization to construct the Project will expire twenty (20) years from the date the Certificate is approved by the Arizona Corporation Commission, unless construction is completed to the point that the line is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the Applicant may request that the Arizona Corporation Commission extend the time limitation.

**SRP, on behalf of the Project participants, Tucson Electric Power (TEP), Electrical District #2 (ED2), Electrical District #3 (ED3), Electrical District #4 (ED4), Southwest Transmission Cooperative Inc. (SWTC) and SRP (collectively referred to as “SRP” or “the Applicant” for purposes of this filing), completed the construction of the first 500kV line of the Project, including construction of the 500kV yard at Pinal West and modifications at the Hassayampa Switchyard, within the timeframe granted. The first line of the Project was energized in October 2008. As reported in SRP’s 2009 Ten Year Transmission Plan, the anticipated need for the second 500kV line is currently beyond the ten-year planning timeframe; the timing of the second line will be dependent on load growth and location of future generation.**

2. The Applicant shall locate the first Palo Verde to Pinal West Transmission Line in accordance with the alignment as depicted in Exhibit A. If, when the Applicant begins construction, the Gila Bend Power Partners, L.L.C. (“GBPP”) Transmission Line (Commission Decision No. 65866) is constructed or is under construction, the first Palo Verde to Pinal West Transmission Line shall be constructed 130 feet west and south of the GBPP Transmission Line to a location west of the Gila River, and then 130 feet south of the existing Hassayampa to Jojoba to Kyrene Transmission Line from the Gila River to the Jojoba Switchyard.

**SRP has complied with this condition. As noted in the 2007 compliance filing, SRP located the first line in accordance with the alignment depicted in Exhibit A of the CEC and denoted in Applicants’ Construction Mitigation and Restoration Plan (CMRP) filed with the ACC on May 24, 2007. At this time GBPP has not constructed its line.**

3. In the event that GBPP begins construction of the GBPP Transmission Line before Applicant begins construction of the second Palo Verde to Pinal West Transmission Line, GBPP will occupy Applicant's position for the second line from the Hassayampa Switchyard to the Jojoba Switchyard. Applicant would then construct its second line from the Jojoba Switchyard to Pinal West.

**No action on this item.**

4. Applicant shall obtain all required approvals and permits necessary to construct the Project.

**All applicable and necessary permits were obtained and provided in the 2007 compliance filing for construction of the first 500kV line.**

5. Applicant shall comply with all existing applicable laws, air and water pollution control standards and regulations, ordinances, master plans and regulations of the United States, the State of Arizona, Maricopa County, Pinal County and any other governmental entities having jurisdiction.

**SRP has complied with this condition.**

6. The Applicant will sponsor a Class III cultural resources survey of the previously unsurveyed portions of the selected corridor or right-of-way, and consult with the State Historic Preservation Office ("SHPO") regarding Register-eligibility and effect.

**SRP has complied with this condition. As noted in the 2008 compliance filing, a Class III cultural resources survey was completed by Desert Archaeology for all previously unsurveyed areas. SRP submitted the report to SHPO, appropriate tribes and Bureau of Land Management (BLM) in February 2007 (Construction Mitigation and Restoration Plan (CMRP) Section 1.8). After BLM review, a revised report was submitted to BLM in May 2007. BLM reinitiated consultation with the tribes and SHPO in July 2007. The final survey report was submitted to BLM and SHPO in November 2007.**

7. The Applicant will avoid and/or minimize impacts to properties considered eligible for inclusion in the State or National Register of Historic Places to the extent possible.

**SRP has complied with this condition. As noted in the 2008 compliance filing, SRP was able to avoid all historic sites except for one located on private land. Desert Archaeology developed a treatment plan for the unavoidable historic property and the treatment plan was accepted by BLM and SHPO.**

8. If the Applicant decides that Register-eligible archaeological sites cannot be avoided, then the Applicant will plan and implement an archaeological data recovery program in consultation with SHPO and the land-managing agency.

**SRP has complied with this condition. Data recovery was completed for the one unavoidable site on private land. A preliminary data recovery report was submitted to the BLM in January 2008 and BLM granted permission to construct the line. The final data recovery report is being prepared.**

9. After construction, Applicant, in conjunction with the applicable land managing agency, if any, will allow Arizona Site Stewards, a volunteer-staffed SHPO program, to periodically inspect the sites within the corridor for vandalism or other damage.

**SRP will comply with this condition consistent with any required approvals from property owners.**

10. Should an archaeological, paleontological, or historic site or object be discovered during plan-related activities, the person in charge is required to notify promptly the Director of the Arizona State Museum and take reasonable steps to secure and maintain the resource's preservation pursuant to state law (i.e., A.R.S. § 41-844). If a discovery involves human remains or funerary objects and occurs on private land, procedures implementing A.R.S. § 41-865 must be followed.

**SRP has complied with this condition. The CMRP required by Condition 22, included a provision to meet this condition (CMRP Section 2.9). The CMRP was filed with the ACC on May 24, 2007. No new discoveries were made during plan-related activities.**

11. Within 45 days of securing easements or right of way for the Project, the Applicant shall erect and maintain signs providing public notice that the property is the site of a future transmission line. Applicant shall place signs in prominent locations at reasonable intervals such that the public is notified along the full length of the transmission line. The Applicant must locate signs at the location of the proposed Palo Verde to Pinal West substation. The signs shall advise: a.) the site has been approved for the construction of Project facilities including 500kV lines or a 500, 345, 69 kV substation, as appropriate; b.) the expected date of completion of the Project facilities and c.) a phone number for public information regarding the Project.

**SRP has complied with this condition. As noted in the 2005 compliance filing, SRP placed signs on the BLM lands for which easement was obtained. SRP was also able to place a sign near the proposed Pinal West Substation site by using an easement obtained by TEP for a power line adjacent to the PW site.**

12. The Applicant shall record with its easements for the Project notice of the development of a transmission line. Until construction of the first transmission line is complete, Applicant shall make reasonable efforts to work with developers along the certificated route to encourage them to include the location of the certificated route in the developers' homeowners disclosure statement.

**SRP has complied with this condition. As noted in the 2008 compliance filing, SRP sent written correspondence to the sole developer who owns property along the route, encouraging him to include the location of the certificated route in the developers' homeowners disclosure statement. As SRP acquired the necessary easements, each easement was incorporated into the parcel description at the County Recorder office. The legal description includes language that stipulates use of the easement for a transmission line.**

13. The Applicant shall provide copies of this Certificate to SHPO, the Arizona Game and Fish Department, appropriate city and county planning agencies, and the Arizona State Land Department.

**SRP has complied with this condition. A copy of the transmittal letters were provided in the 2005 compliance filing.**

14. Applicant shall monitor all ground clearing or disturbing activities that may affect sensitive habitat. If a special species is encountered, Applicant shall retain a biological monitor to ensure proper actions are taken with regard to such species.

**SRP has complied with this condition. This condition was incorporated into the CMRP and the Plan of Development (POD) required by the BLM, as appropriate.**

15. Applicant shall design the transmission lines so as to minimize impacts to raptors.

**SRP has complied with this condition. SRP designed the line consistent with "Suggested Practices for Raptor Protection on Power Lines: The State of the Art in 1996" published by the Avian Power Line Interaction Committee, Edison Electric Institute and the Raptor Research Foundation.**

16. Where practical, the Applicant shall use existing roads for construction and access. The Applicant shall minimize vegetation disturbance, particularly in drainage channels and along stream banks.

**SRP has complied with this condition. The use of existing roads and or the identification of new access was identified during design and preconstruction and incorporated into the CMRP filed on May 24, 2007.**

17. A. The Applicant shall make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the line and related facilities.

**SRP will make every reasonable effort to identify and correct, on a case-specific basis, all complaints of interference with radio or television signals from operation of the line and related facilities. SRP has a process in place to address such complaints, including maintaining records of all interference-related complaints. At this time, no complaints of interference with radio or television signals have been received.**

17. B. The Applicant shall maintain written records for a period of five (5) years of all complaints of radio or television interference attributable to operation of the line, together with the corrective action taken in response to each complaint. All complaints shall be recorded and include notations as to the corrective action taken. Complaints not leading to a specific action or for which there was no resolution shall be noted and explained. The record shall be signed by the Project owner and also the complainant, if possible, to indicate concurrence with the corrective action or agreement with the justification for a lack of action.

**SRP will comply with this condition. See condition 17A above.**

18. The Applicant shall, to the extent feasible, minimize the destruction of native plants during the Project construction and shall comply with the notice and salvage requirements of the Arizona Native Plant Law. Where practical, the Applicant shall utilize plant materials salvaged within the right of way and supplement with additional plant material to mitigate the visual impacts around the Pinal West substation.

**SRP has complied with this condition. Identified plant material was avoided, relocated or addressed, as outlined in the CMRP and BLM Plan of Development (POD).**

19. The Applicant shall use non-specular conductor and dulled surfaces for transmission line structures.

**SRP has complied with this condition. Non-specular conductor was used for this Project.**

20. The following condition is to ensure transmission system safety and reliability when a transmission structure is placed within one hundred feet of an existing natural gas or hazardous liquid pipeline, excluding distribution lines as defined by the Code of Federal Regulations, 49 C.F.R. Sect. 192.3 (2001). Under such circumstances, the Applicant shall:

(a) Provide the appropriate grounding and cathodic protection studies to show that the transmission line results in no material adverse impacts to such existing natural gas or hazardous liquid pipeline, whose right-of-way is a hundred feet or less from the transmission structure, when both are in operation. Additionally, Applicant shall use its best efforts to insure that future natural gas and hazardous liquid pipelines result in no material adverse impact to the transmission lines. A report of the studies shall be provided to the Commission by the Applicant as part of its compliance with the Certificate. If material adverse impacts are noted in the studies, Applicant shall take appropriate steps to ensure such material adverse impacts are mitigated. Applicant shall provide to the Commission written documentation of the actions that were taken and provide documentation showing that material adverse impacts were mitigated.

(b) Adopt a written mitigation plan outlining all reasonable steps to be taken to protect all electric facilities associated with the transmission line as a result of this Project from any potential hazards that could occur whenever a transmission line structure is placed 100 feet or less from any such existing pipeline or its contents. The plan shall indicate the proposed corrective action to mitigate identified potential hazards. A potential hazard includes, but is not limited to, a rupture or explosion resulting from the pipeline. The written mitigation plan shall be provided to the Commission by the Applicant as part of its compliance with this Certificate and shall be subject to review and comment by Commission Staff. Applicant shall implement the written mitigation plan during a hazard as part of its compliance with this Certificate.

**SRP has complied with this condition.**

21. The Applicant shall submit a self-certification letter annually until construction is complete, identifying which conditions contained in the CEC have been met. Each letter shall be submitted to the Utilities Division Director beginning on August 1, 2005, describing conditions that have been met as of June 30 of that year. Attached to each certification letter shall be documentation explaining, in detail, how compliance with each condition was achieved. Copies of each letter along with the corresponding documentation shall also be submitted to the Attorney General's Office.

**Compliance with this condition is evidenced by the submission of this filing.**

22. Before construction on this Project may commence, the Applicant must file a construction mitigation and restoration plan with ACC Docket Control. The goals of the Plan will be to:  
Avoid impacts where practical;  
Where impacts are unavoidable, minimize impacts; and

Focus on site preparation to facilitate natural processes of revegetation.

Other key elements of the Plan, when not inconsistent with the respective land management agencies or local owners' requirements, are to:

- Emphasize final site preparation to encourage natural revegetation;
- Avoid (i.e. preserve), where practical, mature native trees;
- Stipulate a maximum construction corridor width;
- Reserve top soil and native plant materials from right-of-way before grading, and respread over the right-of-way after construction is complete;
- Imprint the restored right-of-way to provide indentations to catch seed and water;
- Implement best management practices to protect the soil;
- Apply restoration methods that have been shown to work in the desert environment; and
- Prevent the spread of noxious weeds or other undesirable species.

**SRP has complied with this condition. On May 24, 2007 SRP filed a copy of the CMRP with the ACC, prior to the start of construction.**

23. Neither the Applicant nor any participant will assert or argue that the grant of this Certificate, authorizing the construction of the Project to the proposed Pinal West substation, acts as precedent for routing decisions or any other matters to be determined in subsequent Certificate of Environmental Compatibility applications, if any, filed by the Applicant or other project participants concerning additional lines to be constructed from the proposed Pinal West substation.

**SRP is in compliance with this condition.**